

**CHIPPEWA - LUCE - MACKINAC COMMUNITY
ACTION HUMAN RESOURCE AUTHORITY, INC.**

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REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

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INDEPENDENT AUDITORS' REPORT

December 16, 2005

Board of Directors
Chippewa - Luce - Mackinac Community
Action Human Resource Authority, Inc.

We have audited the accompanying statement of financial position of the *Chippewa - Luce - Mackinac Community Action Human Resource Authority, Inc.* (the "Authority") (a not-for-profit organization) as of September 30, 2005, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2005 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Authority taken as a whole. The accompanying schedule of expenditures of federal awards, as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the accompanying supplemental financial information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Rehmann Robson

FINANCIAL STATEMENTS

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2005

ASSETS

Cash and cash equivalents	\$ 165,552
Investments	41,550
Accounts receivable	115,356
Grants receivable	407,887
Prepaid expenses and other assets	109,770
Property and equipment, net	<u>3,319,850</u>

Total assets	<u>\$ 4,159,965</u>
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LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 129,115
Accrued liabilities	273,153
Notes payable	<u>1,697,471</u>

Total liabilities	<u>2,099,739</u>
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Net assets

Temporarily restricted for Low Income Heating Assistance Program	2,733
Temporarily restricted for Health Care Self Insurance Fund	<u>97,615</u>
Total temporarily restricted	100,348
Unrestricted	
Undesignated	<u>1,959,878</u>

Total net assets	<u>2,060,226</u>
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Total liabilities and net assets	<u>\$ 4,159,965</u>
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The accompanying notes are an integral part of these financial statements.

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2005**

	Unrestricted	Temporarily Restricted	Total
Support			
Grants and contracts	\$ 6,208,956	\$ -	\$ 6,208,956
Cash contributions	61,797	-	61,797
In-kind contributions	812,043	-	812,043
Participants and projects	567,721	97,615	665,336
Total support	7,650,517	97,615	7,748,132
Revenue			
Interest	2,487	-	2,487
Other	374,207	-	374,207
Rent	396,522	-	396,522
Total revenue	773,216	-	773,216
Net assets released from restrictions			
Restrictions satisfied by payments	900	(900)	-
Total support, revenue and reclassifications	8,424,633	96,715	8,521,348
Expenses			
Program services			
General Administration	223,301	-	223,301
Health and Human Services	3,421,984	-	3,421,984
General Transportation	367,055	-	367,055
Senior Programming	1,353,546	-	1,353,546
Energy Crisis	520,399	-	520,399
Early Childhood Education	315,697	-	315,697
Housing and Community Development	459,135	-	459,135
Plant	520,787	-	520,787
Avery Square Retail	196,832	-	196,832
Veterans' Housing	825,898	-	825,898
Total program services	8,204,634	-	8,204,634
Supporting services			
Management and general	937,295	-	937,295
Total expenses	9,141,929	-	9,141,929
Change in net assets	(717,296)	96,715	(620,581)
Net assets - beginning of year, as restated	2,677,174	3,633	2,680,807
Net assets - end of year	\$ 1,959,878	\$ 100,348	\$ 2,060,226

The accompanying notes are an integral part of these financial statements.

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2005

	Program Services				
	General Administration	Health and Human Services	General Transportation	Senior Programming	Energy Crisis
Salaries	\$ 92,527	\$ 1,499,958	\$ 206,420	\$ 558,616	\$ 87,969
Payroll taxes	8,295	189,436	25,046	86,907	8,555
Payroll fringes	19,228	440,566	58,611	82,688	22,698
Total personnel related expenses	120,050	2,129,960	290,077	728,211	119,222
Consultants and contracted services	22,648	34,447	1,190	5,701	68,722
Travel	10,367	77,283	147	70,483	2,911
Space costs	38	203,480	6,889	73,396	1,957
Communications	4,889	38,169	5,822	7,120	1,513
Consumable supplies	1,933	204,859	348	227,158	157,516
Purchase/rent of equipment	57,692	75,022	750	-	-
Interest	-	-	-	-	-
Other costs	711	114,310	61,832	35,327	168,558
Depreciation	-	-	-	-	-
In-kind expenditures	4,973	544,454	-	206,150	-
Total expenses	\$ 223,301	\$ 3,421,984	\$ 367,055	\$ 1,353,546	\$ 520,399

The accompanying notes are an integral part of these financial statements.

Early Childhood Education	Housing and Community Development	Plant	Avery Square Retail	Veterans' Housing
\$ 155,484	\$ 20,966	\$ 42,370	\$ -	\$ 41,883
19,028	1,811	5,427	-	5,933
41,445	8,531	11,665	150	15,190
215,957	31,308	59,462	150	63,006
28,218	25,271	5,412	-	33,878
1,490	1,413	259	64	1,917
10,631	11,268	226,643	92,082	76,870
249	785	2,003	-	3,554
1,554	12	6,172	2,572	4,804
-	-	70,131	85,822	5,731
-	-	1,066	-	-
1,132	389,078	(24,098)	(37,451)	636,138
-	-	173,737	53,593	-
56,466	-	-	-	-
<u>\$ 315,697</u>	<u>\$ 459,135</u>	<u>\$ 520,787</u>	<u>\$ 196,832</u>	<u>\$ 825,898</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

YEAR ENDED SEPTEMBER 30, 2005

	Supporting Services		
	Total Program Services	Management and General	Total Expenses
Salaries	\$ 2,706,193	\$ 516,025	\$ 3,222,218
Payroll taxes	350,438	48,070	398,508
Payroll fringes	700,772	131,564	832,336
Total personnel related expenses	3,757,403	695,659	4,453,062
Consultants and contracted services	225,487	32,599	258,086
Travel	166,334	24,998	191,332
Space costs	703,254	48,257	751,511
Communications	64,104	42,771	106,875
Consumable supplies	606,928	52,158	659,086
Purchase/rent of equipment	295,148	9,046	304,194
Interest	1,066	-	1,066
Other costs	1,345,537	29,433	1,374,970
Depreciation	227,330	2,374	229,704
In-kind expenditures	812,043	-	812,043
Total expenses	\$ 8,204,634	\$ 937,295	\$ 9,141,929

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2005

Cash flows from operating activities	
Change in net assets	\$ (620,581)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	229,704
Changes in operating assets and liabilities which provided (used) cash:	
Accounts receivable	36,355
Grants receivable	58,564
Prepaid expenses and other assets	(24,944)
Accounts payable	(33,729)
Accrued liabilities	<u>57,654</u>
Net cash used in operating activities	<u>(296,977)</u>
Cash flows from investing activities	
Real estate development construction payments	678,539
Property and equipment purchases	<u>(154,197)</u>
Net cash provided by investing activities	<u>524,342</u>
Cash flows used in financing activities	
Repayment of notes payable	<u>(155,357)</u>
Net increase in cash and cash equivalents	72,008
Cash and cash equivalents, beginning of year	<u>93,544</u>
Cash and cash equivalents, end of year	<u><u>\$ 165,552</u></u>

The accompanying notes are an integral part of these financial statements.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The accompanying financial statements include the accounts of the Chippewa - Luce - Mackinac Community Action Human Resource Authority, Inc. (the "Authority"). The Authority's programs benefit the economically deprived citizens in Chippewa, Luce and Mackinac counties in the Eastern Upper Peninsula of Michigan by administering programs funded predominantly by federal, state and local governments. The Authority provides the following services and programs:

General Administration

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Authority's program strategy through the Office of the Director; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Authority; and manage the financial and budgetary responsibilities of the Authority.

Health and Human Services

The Authority operates federally funded Head Start and Early Head Start programs for qualifying children in the region.

General Transportation

The Authority operates the City of Sault Ste. Marie and Mackinac County state and federally funded public transportation programs.

Senior Programming

The Authority operates numerous state and federally funded programs designed to deliver needed services to the region's senior population.

Energy Crisis

The Authority administers energy assistance programs to the regions low income residents, including a Weatherization program that provides energy conservation renovations to the homes of qualifying individuals or families.

Early Childhood Education

The Authority administers the State of Michigan Four Year Old Program as selected by the EUP Intermediate School District.

Housing and Community Development

The Authority administers Community Development Block Grant programs to residents in the three county region, including housing rehabilitation and Homebuyer assistance programs.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

Plant

The Authority accounts for the assets, debt and equipment expenses related to administration and program buildings in Sault Ste. Marie and St. Ignace.

Avery Square Retail

The Authority rents office space to tenants in the Avery Square Center building.

Veterans' Housing

The Authority is the developer of a low income supportive housing project in Sault Ste. Marie, Michigan.

Related Parties

The Authority owns a one-percent interest in the Avery Square Senior Housing Limited Dividend Association Limited Partnership (the "Partnership") at September 30, 2005 and provides administrative assistance. The 1% interest in the partnership is not considered material and is therefore not included in the accompanying financial statements. During the year ended September 30, 2005, the Authority made payments on behalf of, and was reimbursed by the Partnership for utilities, building maintenance, salaries and benefits of \$112,147. As of September 30, 2005, accounts receivable from the Partnership were \$12,945. These reimbursements are classified as revenues in the caption "participant and project income." The Partnership reimburses the Authority upon receipt of itemized expenditures.

The Authority, through its wholly-owned subsidiary Avery North Shore, Inc., owns a .01% interest in the SMRC Limited Dividend Housing Association Limited Partnership ("SMRC"). Avery North Shore, Inc. is the General Partner of SMRC. The .01% interest in SMRC is not considered material and therefore is not included in the accompanying financial statements. The Authority is the developer of the low-income housing project that SMRC partnership was established to create and operate. During the year the Authority made payments on behalf of, and was reimbursed by SMRC for utilities, building maintenance, salaries and benefits of \$63,129. As of September 30, 2005, accounts receivable from SMRC were \$18,793. These reimbursements are classified as revenues in the caption "participants and projects income." SMRC reimburses the Authority upon receipt of itemized expenditures.

During the year ended September 30, 2003 the Authority entered into a loan agreement with the Great Lakes Capital Fund ("GLCF") and received proceeds of \$30,000. These proceeds, pursuant to the agreement with GLCF, were transferred to an employee that was eligible for a Native American Small Business Development Loan. The employee has entered into a loan agreement with the Authority for \$30,000. The Authority collects principal and interest payments from the employee and subsequently transmits the funds to GLCF for repayment of the Authority's loan. The balance of the loan at September 30, 2005 was \$26,695.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenues and expenses during the year. Accordingly, actual amounts could differ from those estimates.

Basis of Accounting

The financial statements of the Authority have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

To ensure observance of limitations and restrictions placed on the use of available resources, the accounts of the Authority are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting into funds established according to their nature and purposes. For external financial reporting purposes, however, the Authority reports resources classified into unrestricted, temporarily restricted, or permanently restricted net asset categories according to the existence or absence of donor imposed restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in banks and cash on hand. The Authority periodically has deposits in financial institutions in excess of federally insured limits; management believes interest rate fluctuation or other financial risk associated with these deposits is not significant. For the purposes of the Statement of Cash Flows, the Authority considers cash deposits and certificates of deposits with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investment securities consist of 1,900 shares of common stock of an entity for which shares are not publicly traded; investments are accounted for using the cost method.

Grants and Accounts Receivable

Grants receivable and accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the payment history of grantors and other entities with amounts due to the Authority, and

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

Property and Equipment and Depreciation

Property and equipment are recorded at historical cost or, in cases of donated assets, at estimated fair value on the date of gift. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is recognized using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years. Expenditures for major renewals and betterments that extend the useful life of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

In-Kind Contributions

Volunteers assist the General Administration, Health and Human Services, Senior Programming and Early Childhood Education programs. The Authority assigns values to such services performed by volunteers when salaried personnel would otherwise perform such services. The Authority values these services at the federal minimum wage, except in those instances where teaching, physician or a nursing service is rendered or if a grantor has preapproved a rate for a specified service. In these situations, the current prevailing wages are recorded. In addition, space is donated to the senior program to operate their meal program. Space is valued at the current rate of rental. Total in-kind revenue recognized for the year ended September 30, 2005 was \$812,043 and is reflected in the accompanying financial statements as both support and expense.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Compensated Absences

The Authority's eligible employees may accumulate up to 30 days of annual leave. Annual leave is recorded as an expense in the fiscal year in which it is earned.

Income Taxes

The Authority is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is also exempt from similar state and local taxes.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following assets:

Land	\$ 171,000
Buildings and improvements	3,454,043
Furniture and equipment	<u>1,081,258</u>
Total property and equipment	4,706,301
Less accumulated depreciation	<u>1,386,451</u>
Property and equipment, net	<u>\$ 3,319,850</u>

In addition to the above property and equipment, the Transportation Program uses equipment purchased with grant funds for which the title remains with the City of Sault Ste. Marie. The Authority maintains an inventory of this equipment, which is estimated at cost in the amount of \$549,000.

3. NOTES AND CONTRACTS PAYABLE

The Authority has a promissory note payable to the Economic Development Corporation of the County of Chippewa. A payment of \$8,258 per month is required including interest at 5.15%. The note is secured by all asset accounts and general intangibles now owned or thereafter acquired; all rents and leases from the real estate associated with or derived from the commonly referred to as Avery Square Project retail portion; and the income stream therefrom. The balance due as of September 30, 2005 is \$620,722.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

Approximate maturities of the promissory note for the years subsequent to September 30, 2005 are as follows:

2006	\$ 68,580
2007	72,195
2008	76,003
2009	80,011
2010	84,230
Thereafter	<u>239,703</u>
Total	<u>\$ 620,722</u>

Interest of \$32,799 was charged to expense.

The Authority has various installment purchase contracts payable as follows:

A \$10,820 contract payable to Central Savings Bank for the purchase of 4 Konica 7115 copiers. Payments of \$201 per month are required including interest at 4.25%. The balance due as of September 30, 2005 is \$6,115.

A \$22,893 contract payable to Central Savings Bank for the purchase of 2 Konica 7045 copiers. Payments of \$449 per month are required including interest at 6.6%. The balance due at September 30, 2005 is \$1,776.

A \$68,093 contract payable to Central Savings Bank for the purchase of 2 modular classrooms for the Kinross Headstart program. Payments of \$967 per month are required including interest at 5.15%. The balance due at September 30, 2005 is \$4,801.

Approximate maturities of these installment contracts payable for the years subsequent to September 30, 2005 are as follows:

2006	\$ 8,763
2007	2,281
2008	<u>1,648</u>
Total	<u>\$ 12,692</u>

Interest of \$1,178 was charged to expense during the year.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

The Authority has entered into a loan agreement with the GLCF (formerly Michigan Housing Trust Fund) for \$30,000 to be used to fund a loan to a local small business. Payments of \$222 per month are required including interest of 4.0%. The balance due at September 30, 2005 is \$26,695. Approximate maturities for the years subsequent to September 30, 2005 are as follows:

2006	\$ 1,625
2007	1,691
2008	1,760
2009	1,832
2010	1,906
Thereafter	<u>17,881</u>
Total	<u>\$ 26,695</u>

The Authority has been awarded a United States Department of Agriculture Rural Community Facilities loan totaling \$2,084,500 to fund the construction of the St. Ignace Multi Purpose Facility. As of September 30, 2005 the Authority had drawn down \$1,050,002 of the available loan funds. Loan terms include interest at 4.5% and payments of accrued interest only on May 13, 2004 and May 13, 2005. The balance due at September 30, 2005 is \$1,037,362. Principal and interest payments totaling \$58,181 per year are due on May 13 beginning in 2006 and for the subsequent 37 years or until the balance is fully paid.

2006	\$ 14,989
2007	13,152
2008	13,744
2009	14,363
2010	15,009
Thereafter	<u>966,105</u>
Total	<u>\$1,037,362</u>

4. PENSION PLAN

The Authority has established a tax deferred annuity plan under the provisions of the Internal Revenue Code Section 403(b). The plan provides for the Authority to contribute 2% of an employee's gross salary and match employee contributions up to 8%. The Authority's contribution to the plan for the year ended September 30, 2005 is \$186,829 and the employee's contribution is \$202,535.

**CHIPPEWA – LUCE – MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

5. LEASES

The Authority leases classroom facilities from outside organizations. Facilities are rented on a month-to-month basis. Total rent expense for the year ended September 30, 2005 amounted to approximately \$125,000.

6. CONCENTRATIONS

The Authority receives a substantial amount of its support from federal, state and local governments. A significant reduction in the level of this support would adversely impact the current levels of programs and activities.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include an advance grant payment from the Sault Ste. Marie Band of Chippewa Indians to be used for future Low Income Heating Assistance Program expenses in the amount of \$2,733. In addition, in 2005, the Agency became self-insured for health insurance. Premiums charged to contracts and not yet expended are temporarily restricted for future health claims in the amount of \$97,615.

8. PRIOR PERIOD ADJUSTMENT

Beginning net assets of the General Transportation – Sault Ste. Marie Fund was decreased by \$10,733 in order to correct a prior year accounting error resulting from an uncollectible account receivable.

* * * * *

SUPPLEMENTAL INFORMATION

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

STATEMENTS OF FINANCIAL POSITION BY PROGRAM

SEPTEMBER 30, 2005

	General Administration	Health and Human Services	General Transportation	Senior Programming	Energy Crisis
ASSETS					
Cash and cash equivalents	\$ 601,846	\$ 34,289	\$ 240,019	\$ (86,576)	\$ 10,985
Investments	27,750	-	-	13,800	-
Accounts receivable	2,027	1,645	2,075	12,800	-
Grants receivable	37,192	94,740	93,921	61,328	9,630
Prepaid expenses and other assets	58,165	2,806	125	12,915	-
Property and equipment, net	6,130	-	-	-	-
Total assets	\$ 733,110	\$ 133,480	\$ 336,140	\$ 14,267	\$ 20,615
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable	\$ 21,869	\$ 34,175	\$ 867	\$ 444	\$ 5,374
Accrued liabilities	80,080	73,635	4,625	10,639	9,481
Notes payable	-	-	-	-	-
Total liabilities	101,949	107,810	5,492	11,083	14,855
Net assets					
Unrestricted net assets					
Unrestricted, undesignated net assets (deficit)	533,546	25,670	330,648	3,184	3,027
Temporarily restricted net assets	97,615	-	-	-	2,733
Total net assets (deficit)	631,161	25,670	330,648	3,184	5,760
Total liabilities and net assets	\$ 733,110	\$ 133,480	\$ 336,140	\$ 14,267	\$ 20,615

Early Childhood Education	Housing and Community Development	Plant	Avery Square Retail & Snookies Deli Operations	Veterans' Housing	All Programs Total
\$ (70,319)	\$ (336,113)	\$ (117,255)	\$ (136,036)	\$ 24,712	\$ 165,552
-	-	-	-	-	41,550
-	-	42,946	34,868	18,995	115,356
-	112,240	-	(1,164)	-	407,887
-	-	729	34,849	181	109,770
-	-	1,910,440	1,403,280	-	3,319,850
<u>\$ (70,319)</u>	<u>\$ (223,873)</u>	<u>\$ 1,836,860</u>	<u>\$ 1,335,797</u>	<u>\$ 43,888</u>	<u>\$ 4,159,965</u>
\$ -	\$ 66,328	\$ 22	\$ -	\$ 36	\$ 129,115
1,306	971	90,954	600	862	273,153
-	-	1,076,749	620,722	-	1,697,471
<u>1,306</u>	<u>67,299</u>	<u>1,167,725</u>	<u>621,322</u>	<u>898</u>	<u>2,099,739</u>
(71,625)	(291,172)	669,135	714,475	42,990	1,959,878
-	-	-	-	-	100,348
<u>(71,625)</u>	<u>(291,172)</u>	<u>669,135</u>	<u>714,475</u>	<u>42,990</u>	<u>2,060,226</u>
<u>\$ (70,319)</u>	<u>\$ (223,873)</u>	<u>\$ 1,836,860</u>	<u>\$ 1,335,797</u>	<u>\$ 43,888</u>	<u>\$ 4,159,965</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

SCHEDULE OF ACTIVITIES - BY PROGRAM

YEAR ENDED SEPTEMBER 30, 2005

	General Administration	Health and Human Services	General Transportation	Senior Programming	Energy Crisis
SUPPORT AND REVENUE					
Cash contributions	\$ -	\$ 2,066	\$ -	\$ 34,406	\$ 13,425
In-kind contributions	4,973	544,454	-	206,150	-
Participant and project	15,324	53,286	38,028	318,949	-
Grants and contracts	459,489	3,191,489	394,038	944,732	532,144
Total support	479,786	3,791,295	432,066	1,504,237	545,569
Interest income	2,249	-	-	94	-
Other income	124,661	2,548	275	880	-
Rental income	-	-	-	-	-
Total revenue	126,910	2,548	275	974	-
Reclassifications					
Restrictions satisfied by payments	-	-	-	-	-
Total support, revenue and reclassifications	606,696	3,793,843	432,341	1,505,211	545,569
EXPENSES					
Program services					
Salaries	92,527	1,499,958	206,420	558,616	87,969
Payroll taxes	8,295	189,436	25,046	86,907	8,555
Payroll fringes	19,228	440,566	58,611	82,688	22,698
Subtotal	120,050	2,129,960	290,077	728,211	119,222
Consultants	22,648	34,447	1,190	5,701	68,722
Travel	10,367	77,283	147	70,483	2,911
Space costs	38	203,480	6,889	73,396	1,957
Communications	4,889	38,169	5,822	7,120	1,513
Consumable supplies	1,933	204,859	348	227,158	157,516
Purchase/rent of equipment	57,692	75,022	750	-	-
Interest	-	-	-	-	-
Other costs	711	114,310	61,832	35,327	168,558
Depreciation and amortization	-	-	-	-	-
In-kind expenditures	4,973	544,454	-	206,150	-
Total program services	223,301	3,421,984	367,055	1,353,546	520,399
Supporting services					
Salaries	80,311	228,096	40,782	91,268	16,306
Payroll taxes	8,236	21,850	3,974	7,306	1,337
Payroll fringes	14,483	56,954	19,107	17,779	3,325
Subtotal	103,030	306,900	63,863	116,353	20,968
Consultants	1,135	4,823	1,119	14,225	1,038
Travel	7,471	13,567	430	2,946	314
Space costs	13,562	13,856	1,445	13,909	2,117
Communications	14,276	8,317	1,486	11,763	1,713
Consumable supplies	7,785	16,616	2,107	13,909	1,300
Purchases of equipment	(1,169)	1,169	-	-	1,244
Other costs	266	5,984	475	10,286	116
Depreciation	2,374	-	-	-	-
In-kind expenditures	-	-	-	-	-
Total supporting expenses	148,730	371,232	70,925	183,391	28,810
Total expenses	372,031	3,793,216	437,980	1,536,937	549,209
Change in net assets	234,665	627	(5,639)	(31,726)	(3,640)
Net assets (deficit) - beginning of year, as restated	396,496	25,043	336,287	34,910	9,400
Net assets (deficit) - end of year	\$ 631,161	\$ 25,670	\$ 330,648	\$ 3,184	\$ 5,760

Early Childhood Education	Housing and Community Development	Plant	Avery Square Retail & Snookies Deli Operations	Veterans' Housing	All Programs Total
\$ -	\$ -	\$ -	\$ 900	\$ 11,000	\$ 61,797
56,466	-	-	-	-	812,043
-	64,473	112,147	-	63,129	665,336
196,558	351,356	83	-	139,067	6,208,956
253,024	415,829	112,230	900	213,196	7,748,132
-	-	-	53	91	2,487
-	600	91,224	154,019	-	374,207
-	-	202,462	194,060	-	396,522
-	600	293,686	348,132	91	773,216
-	-	-	-	-	-
253,024	416,429	405,916	349,032	213,287	8,521,348
155,484	20,966	42,370	-	41,883	2,706,193
19,028	1,811	5,427	-	5,933	350,438
41,445	8,531	11,665	150	15,190	700,772
215,957	31,308	59,462	150	63,006	3,757,403
28,218	25,271	5,412	-	33,878	225,487
1,490	1,413	259	64	1,917	166,334
10,631	11,268	226,643	92,082	76,870	703,254
249	785	2,003	-	3,554	64,104
1,554	12	6,172	2,572	4,804	606,928
-	-	70,131	85,822	5,731	295,148
-	-	1,066	-	-	1,066
1,132	389,078	(24,098)	(37,451)	636,138	1,345,537
-	-	173,737	53,593	-	227,330
56,466	-	-	-	-	812,043
315,697	459,135	520,787	196,832	825,898	8,204,634
-	38,833	20,429	-	-	516,025
-	3,472	1,895	-	-	48,070
-	11,124	8,792	-	-	131,564
-	53,429	31,116	-	-	695,659
878	(17)	567	1,014	7,817	32,599
-	270	-	-	-	24,998
13	1,327	2,028	-	-	48,257
456	1,396	2,133	-	1,231	42,771
789	2,786	3,170	385	3,311	52,158
-	-	-	7,802	-	9,046
184	2,495	8,893	584	150	29,433
-	-	-	-	-	2,374
-	-	-	-	-	-
2,320	61,686	47,907	9,785	12,509	937,295
318,017	520,821	568,694	206,617	838,407	9,141,929
(64,993)	(104,392)	(162,778)	142,415	(625,120)	(620,581)
(6,632)	(186,780)	831,913	572,060	668,110	2,680,807
\$ (71,625)	\$ (291,172)	\$ 669,135	\$ 714,475	\$ 42,990	\$ 2,060,226

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
GENERAL ADMINISTRATION PROGRAM**

YEAR ENDED SEPTEMBER 30, 2005

	General Administration	Administration and Community Linkages	Developer's Fee	E.U.P. Regional Planning and Development	Michigan Humanities Council
SUPPORT AND REVENUE					
Cash contributions	\$ -	\$ -	\$ -	\$ -	\$ -
In-kind contributions	-	-	-	-	-
Participant and project	-	-	-	15,324	-
Grants and contracts	-	168,728	190,269	-	-
Total support	-	168,728	190,269	15,324	-
Interest income	1,153	-	1,096	-	-
Other income	124,661	-	-	-	-
Rental income	-	-	-	-	-
Total revenue	125,814	-	1,096	-	-
Total support and revenue	125,814	168,728	191,365	15,324	-
EXPENSES					
Program services					
Salaries	-	66,516	-	5,687	-
Payroll taxes	-	5,670	-	732	-
Payroll fringes	-	15,436	-	331	-
Subtotal	-	87,622	-	6,750	-
Consultants	-	-	-	-	-
Travel	-	482	-	-	-
Space costs	38	-	-	-	-
Communications	-	4,889	-	-	-
Consumable supplies	(530)	20	-	-	-
Purchase of equipment	1,169	-	55,121	-	-
Other costs	-	-	-	-	-
In-kind expenditures	-	-	-	-	-
Total program services	677	93,013	55,121	6,750	-
Supporting services					
Salaries	-	41,561	28,753	-	-
Payroll taxes	-	3,765	3,367	-	-
Payroll fringes	-	8,820	1,731	-	-
Subtotal	-	54,146	33,851	-	-
Consultants	240	880	(19,000)	-	-
Travel	-	5,714	-	45	-
Space costs	4,500	2,708	-	5,705	-
Communications	1,862	9,010	-	2,822	-
Consumable supplies	4,411	2,991	-	-	-
Purchase of equipment	(1,169)	-	-	-	-
Other costs	-	266	-	-	-
Depreciation	2,374	-	-	-	-
In-kind expenditures	-	-	-	-	-
Total supporting expenses	12,218	75,715	14,851	8,572	-
Total expenses	12,895	168,728	69,972	15,322	-
Change in net assets	112,919	-	121,393	2	-
Net assets - beginning of year (deficit)	97,185	-	287,224	85	915
Net assets - end of year (deficit)	\$ 210,104	\$ -	\$ 408,617	\$ 87	\$ 915

Food Distribution	Commodities Supplies Food Program	R-CAP	Michigan Council for the Arts	Discretionary 2/28/2006	Solid Waste	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,973	-	-	-	-	-	4,973
-	-	-	-	-	-	15,324
26,636	12,854	41,558	2,000	7,613	9,831	459,489
31,609	12,854	41,558	2,000	7,613	9,831	479,786
-	-	-	-	-	-	2,249
-	-	-	-	-	-	124,661
-	-	-	-	-	-	-
-	-	-	-	-	-	126,910
31,609	12,854	41,558	2,000	7,613	9,831	606,696
5,124	9,515	-	-	5,685	-	92,527
522	919	-	-	452	-	8,295
618	1,373	-	-	1,470	-	19,228
6,264	11,807	-	-	7,607	-	120,050
-	-	18,472	-	-	4,176	22,648
9,660	75	150	-	-	-	10,367
-	-	-	-	-	-	38
-	-	-	-	-	-	4,889
443	-	-	2,000	-	-	1,933
233	-	1,169	-	-	-	57,692
711	-	-	-	-	-	711
4,973	-	-	-	-	-	4,973
22,284	11,882	19,791	2,000	7,607	4,176	223,301
4,567	-	5,430	-	-	-	80,311
452	-	652	-	-	-	8,236
2,874	-	1,058	-	-	-	14,483
7,893	-	7,140	-	-	-	103,030
180	106	13,074	-	-	5,655	1,135
-	411	1,301	-	-	-	7,471
286	236	127	-	-	-	13,562
404	116	62	-	-	-	14,276
211	103	63	-	6	-	7,785
-	-	-	-	-	-	(1,169)
-	-	-	-	-	-	266
-	-	-	-	-	-	2,374
-	-	-	-	-	-	-
8,974	972	21,767	-	6	5,655	148,730
31,258	12,854	41,558	2,000	7,613	9,831	372,031
351	-	-	-	-	-	234,665
(351)	-	11,438	-	-	-	396,496
\$ -	\$ -	\$ 11,438	\$ -	\$ -	\$ -	\$ 631,161

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
HEALTH AND HUMAN SERVICES PROGRAM**

YEAR ENDED SEPTEMBER 30, 2005

	Training and Technical Assistance				
	Headstart	Early Headstart	Early Headstart	Headstart	
	05ch4073/39 November 1, 2004 to September 30, 2005	05ch4073/39 November 1, 2004 to September 30, 2005	05ch4073/39 November 1, 2004 to September 30, 2005	05ch4073/39 November 1, 2004 to September 30, 2005	Total
SUPPORT AND REVENUE					
Cash contributions	\$ -	\$ -	\$ -	\$ -	\$ -
In-kind contributions	-	-	128,123	364,919	493,042
Participant and project	-	-	19,757	-	19,757
Grants and contracts	-	-	-	-	-
Grants and contracts - FIA	-	-	-	-	-
Grants and contracts - MDOE	-	-	12,385	80,945	93,330
Grants and contracts - HHS	22,859	21,110	796,261	1,802,414	2,642,644
Total support	22,859	21,110	956,526	2,248,278	3,248,773
Interest income	-	-	-	-	-
Other income	-	-	-	2,428	2,428
Rental income	-	-	-	-	-
Total revenue	-	-	-	2,428	2,428
Total support and revenue	22,859	21,110	956,526	2,250,706	3,251,201
EXPENSES					
Program services					
Salaries	-	-	450,934	865,367	1,316,301
Payroll taxes	-	-	54,066	118,173	172,239
Payroll fringes	-	-	130,459	255,462	385,921
Subtotal	-	-	635,459	1,239,002	1,874,461
Consultants	897	3,849	740	24,907	30,393
Travel	19,862	11,499	9,461	30,136	70,958
Space costs	-	-	47,729	98,404	146,133
Communications	-	-	7,958	28,137	36,095
Consumable supplies	-	-	43,285	109,257	152,542
Purchase of equipment	-	-	-	18,192	18,192
Other costs	45	325	4,999	72,446	77,815
In-kind expenditures	-	-	128,123	364,919	493,042
Total program services	20,804	15,673	877,754	1,985,400	2,899,631
Supporting services					
Salaries	-	-	39,134	166,266	205,400
Payroll taxes	-	-	3,866	16,362	20,228
Payroll fringes	-	-	15,146	40,280	55,426
Subtotal	-	-	58,146	222,908	281,054
Consultants	-	-	1,251	3,572	4,823
Travel	2,055	5,437	163	3,762	11,417
Space costs	-	-	1,379	11,473	12,852
Communications	-	-	696	6,337	7,033
Consumable supplies	-	-	3,900	10,621	14,521
Purchase of equipment	-	-	-	1,169	1,169
Other costs	-	-	91	5,482	5,573
In-kind expenditures	-	-	-	-	-
Total supporting expenses	2,055	5,437	65,626	265,324	338,442
Total expenses	22,859	21,110	943,380	2,250,724	3,238,073
Change in net assets	-	-	13,146	(18)	13,128
Net assets - beginning of year	-	-	-	18	18
Net assets - end of year	\$ -	\$ -	\$ 13,146	\$ -	\$ 13,146

Training and Technical Assistance					
Early Headstart	Headstart	Early Headstart	Headstart		
05ch4073/38 October 1, 2004 to October 31, 2004	05ch4073/38 October 1, 2004 to October 31, 2004	05ch4073/38 October 1, 2004 to October 31, 2004	05ch4073/38 October 1, 2004 to October 31, 2004	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	11,330	40,082	51,412	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,541	13,323	14,864	-
-	1,850	194,091	224,942	420,883	-
-	1,850	206,962	278,347	485,309	-
-	-	-	-	-	-
-	-	-	120	120	-
-	-	-	-	-	-
-	-	-	120	120	-
-	1,850	206,962	278,467	485,429	-
-	-	68,303	101,293	169,596	-
-	-	4,971	10,624	15,595	-
-	-	14,991	35,549	50,540	-
-	-	88,265	147,466	235,731	-
-	-	480	3,574	4,054	-
-	74	4,816	1,371	6,261	-
-	-	49,300	8,047	57,347	-
-	-	258	1,658	1,916	-
-	187	1,986	17,025	19,198	-
-	-	52,753	4,077	56,830	-
-	-	453	36,042	36,495	-
-	-	11,330	40,082	51,412	-
-	261	209,641	259,342	468,983	-
-	-	8,423	14,273	22,696	-
-	-	543	1,079	1,622	-
-	-	530	998	1,528	-
-	-	9,496	16,350	25,846	-
-	-	-	-	-	-
-	1,589	561	-	2,150	-
-	-	109	895	1,004	-
-	-	170	1,114	1,284	-
-	-	131	355	486	-
-	-	-	-	-	-
-	-	-	411	411	-
-	-	-	-	-	-
-	1,589	10,467	19,125	29,592	-
-	1,850	220,108	278,467	498,575	-
-	-	(13,146)	-	(13,146)	-
-	-	13,146	-	13,146	-
\$ -	\$ -	\$ -	\$ -	\$ -	-

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSE AND CHANGES IN NET ASSETS
HEALTH AND HUMAN SERVICES PROGRAM**

YEAR ENDED SEPTEMBER 30, 2005

	Reading is Fundamental	P.A.C.	Temporary Assistance for Needy Families	Program Totals
SUPPORT AND REVENUE				
Cash contributions	\$ 2,066	\$ -	\$ -	\$ 2,066
In-kind contributions	-	-	-	544,454
Participant and project	-	33,529	-	53,286
Grants and contracts	-	-	-	-
Grants and contracts - FIA	-	-	19,768	19,768
Grants and contracts - MDOE	-	-	-	108,194
Grants and contracts - HHS	-	-	-	3,063,527
Total support	2,066	33,529	19,768	3,791,295
Interest income	-	-	-	-
Other income	-	-	-	2,548
Rental income	-	-	-	-
Total revenue	-	-	-	2,548
Total support and revenue	2,066	33,529	19,768	3,793,843
EXPENSES				
Program services				
Salaries	-	-	14,061	1,499,958
Payroll taxes	-	-	1,602	189,436
Payroll fringes	-	-	4,105	440,566
Subtotal	-	-	19,768	2,129,960
Consultants	-	-	-	34,447
Travel	-	64	-	77,283
Space costs	-	-	-	203,480
Communications	-	158	-	38,169
Consumable supplies	1,822	31,297	-	204,859
Purchase of equipment	-	-	-	75,022
Other costs	-	-	-	114,310
In-kind expenditures	-	-	-	544,454
Total program services	1,822	31,519	19,768	3,421,984
Supporting services				
Salaries	-	-	-	228,096
Payroll taxes	-	-	-	21,850
Payroll fringes	-	-	-	56,954
Subtotal	-	-	-	306,900
Consultants	-	-	-	4,823
Travel	-	-	-	13,567
Space costs	-	-	-	13,856
Communications	-	-	-	8,317
Consumable supplies	-	1,609	-	16,616
Purchase of equipment	-	-	-	1,169
Other costs	-	-	-	5,984
In-kind expenditures	-	-	-	-
Total supporting expenses	-	1,609	-	371,232
Total expenses	1,822	33,128	19,768	3,793,216
Change in net assets	244	401	-	627
Net assets - beginning of year	122	11,757	-	25,043
Net assets - end of year	\$ 366	\$ 12,158	\$ -	\$ 25,670

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
GENERAL TRANSPORTATION PROGRAM**

YEAR ENDED SEPTEMBER 30, 2005

	Section 5309 and 5311 Capital grant			Specialized
	Sault Ste. Marie	Sault Ste. Marie	International Bridge	Services Mackinac County
SUPPORT AND REVENUE				
Cash contributions	\$ -	\$ -	\$ -	\$ -
Participant and project	-	20,428	13,551	-
Grants and contracts	-	191,599	133,480	9,980
Total support	-	212,027	147,031	9,980
Interest income	-	-	-	-
Other income	-	-	275	-
Rental income	-	-	-	-
Total revenue	-	-	275	-
Total support and revenue	-	212,027	147,306	9,980
EXPENSES				
Program services				
Salaries	-	106,843	69,579	6,939
Payroll taxes	-	12,792	8,321	741
Payroll fringes	-	22,760	26,904	3,549
Subtotal	-	142,395	104,804	11,229
Consultants	-	972	50	5
Travel	-	147	-	-
Space costs	-	3,391	1,862	241
Communications	-	2,824	564	702
Consumable supplies	-	201	114	-
Purchase of equipment	-	-	-	-
Other costs	620	19,873	20,963	7,739
In-kind expenditures	-	-	-	-
Total program services	620	169,803	128,357	19,916
Supporting services				
Salaries	-	21,505	11,289	1,991
Payroll taxes	-	2,106	1,105	191
Payroll fringes	-	9,982	5,031	947
Subtotal	-	33,593	17,425	3,129
Consultants	-	149	366	198
Travel	-	400	-	-
Space costs	-	679	399	68
Communications	-	775	517	85
Consumable supplies	-	1,190	394	170
Purchase of equipment	-	-	-	-
Other costs	-	347	88	-
In-kind expenditures	-	-	-	-
Total supporting expenses	-	37,133	19,189	3,650
Total expenses	620	206,936	147,546	23,566
Change in net assets	(620)	5,091	(240)	(13,586)
Net assets - beginning of year, as restated	97	222,162	6,290	98,088
Net assets (deficit) - end of year	<u>\$ (523)</u>	<u>\$ 227,253</u>	<u>\$ 6,050</u>	<u>\$ 84,502</u>

Project Zero Sault Ste. Marie	Project Zero Mackinac County	Section 5311 Capital grant Sault Ste. Marie	Totals
\$ -	\$ -	\$ -	\$ -
3,216	833	-	38,028
37,783	18,201	2,995	394,038
40,999	19,034	2,995	432,066
-	-	-	-
-	-	-	275
-	-	-	-
-	-	-	275
40,999	19,034	2,995	432,341
15,265	7,794	-	206,420
2,104	1,088	-	25,046
3,874	1,524	-	58,611
21,243	10,406	-	290,077
136	27	-	1,190
-	-	-	147
1,147	248	-	6,889
1,696	36	-	5,822
33	-	-	348
-	-	750	750
5,411	4,981	2,245	61,832
-	-	-	-
29,666	15,698	2,995	367,055
4,475	1,522	-	40,782
422	150	-	3,974
2,246	901	-	19,107
7,143	2,573	-	63,863
312	94	-	1,119
-	30	-	430
257	42	-	1,445
102	7	-	1,486
271	82	-	2,107
-	-	-	-
40	-	-	475
-	-	-	-
8,125	2,828	-	70,925
37,791	18,526	2,995	437,980
3,208	508	-	(5,639)
8,104	1,546	-	336,287
\$ 11,312	\$ 2,054	\$ -	\$ 330,648

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
SENIOR PROGRAMMING**

YEAR ENDED SEPTEMBER 30, 2005

	UPCAP EPIC	Waiver	Client Private Pay	F.L.A.	Respite
SUPPORT AND REVENUE					
Cash contributions	\$ -	\$ -	\$ 3,457	\$ -	\$ -
In-kind contributions	-	-	-	-	-
Participant and project	-	-	28,341	152,289	399
Grants and contracts	6,000	165,286	-	-	24,029
Total support	6,000	165,286	31,798	152,289	24,428
Interest income	-	-	-	-	-
Other income	-	-	-	-	-
Rental income	-	-	-	-	-
Total revenue	-	-	-	-	-
Total support and revenue	6,000	165,286	31,798	152,289	24,428
EXPENSES					
Program services					
Salaries	4,383	81,826	20,720	110,038	16,055
Payroll taxes	438	13,117	2,435	14,774	2,276
Payroll fringes	563	11,095	2,807	11,172	3,196
Subtotal	5,384	106,038	25,962	135,984	21,527
Consultants	-	2,481	411	-	-
Travel	18	16,135	2,114	12,166	1,572
Space costs	-	-	-	463	-
Communications	-	258	-	-	-
Consumable supplies	-	5,594	3	-	-
Purchase of equipment	-	-	-	-	-
Other costs	-	111	6	26	4
In-kind expenditures	-	-	-	-	-
Total program services	5,402	130,617	28,496	148,639	23,103
Supporting services					
Salaries	-	24,587	-	6,814	-
Payroll taxes	-	861	-	639	-
Payroll fringes	-	1,899	-	1,777	-
Subtotal	-	27,347	-	9,230	-
Consultants	61	1,006	1,330	1,366	-
Travel	-	341	77	345	61
Space costs	125	809	102	975	143
Communications	366	842	423	656	126
Consumable supplies	46	2,035	728	1,440	523
Purchase of equipment	-	-	-	-	-
Other costs	-	2,289	642	2,899	472
In-kind expenditures	-	-	-	-	-
Total supporting expenses	598	34,669	3,302	16,911	1,325
Total expenses	6,000	165,286	31,798	165,550	24,428
Change in net assets	-	-	-	(13,261)	-
Net assets - beginning of year (deficit)	-	-	(1,360)	-	-
Net assets - end of year (deficit)	\$ -	\$ -	\$ (1,360)	\$ (13,261)	\$ -

Home care Assistance	Luce Take Five	Sault Tribe Elderly Services	Tobacco Settlement Respite	Senior Center Staffing	Title III - C2 HDM	Title III - C1 Congregate	Title III - B
\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
637	-	-	417	-	50,192	168,838	988
39,331	-	5,783	22,588	12,972	278,980	82,641	-
						171,975	42,966
39,968	7,500	5,783	23,005	12,972	329,172	423,454	43,954
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
39,968	7,500	5,783	23,005	12,972	329,172	423,454	43,954
26,761	-	3,950	15,735	9,044	92,956	53,239	23,076
3,887	-	507	2,328	937	14,819	11,055	4,372
4,502	-	197	1,352	2,554	14,635	7,762	9,485
35,150	-	4,654	19,415	12,535	122,410	72,056	36,933
-	-	-	-	-	-	-	-
2,057	-	583	1,811	12	18,153	2,923	3,498
-	-	-	-	-	10,754	48,655	323
-	-	-	(16)	-	130,010	79,759	-
-	-	-	-	-	-	-	-
6	-	2	4	-	1,247	3,175	7
-	-	-	-	-	-	168,838	988
37,213	-	5,239	21,214	12,547	282,574	375,406	41,749
-	-	-	-	-	27,744	28,084	-
-	-	-	-	-	2,680	2,732	-
-	-	-	-	-	6,238	7,115	-
-	-	-	-	-	36,662	37,931	-
883	-	139	598	139	1,679	1,808	258
88	-	24	46	-	606	879	101
162	-	-	106	151	1,142	1,917	507
205	-	23	151	51	4,022	2,623	204
739	-	151	520	84	1,593	2,774	345
-	-	-	-	-	-	-	-
676	-	207	370	-	116	116	790
-	-	-	-	-	-	-	-
2,753	-	544	1,791	425	45,820	48,048	2,205
39,966	-	5,783	23,005	12,972	328,394	423,454	43,954
2	7,500	-	-	-	778	-	-
-	-	-	-	-	-	-	-
\$ 2	\$ 7,500	\$ -	\$ -	\$ -	\$ 778	\$ -	\$ -

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
SENIOR PROGRAMMING**

YEAR ENDED SEPTEMBER 30, 2005

	Homemaker	Local Public	Senior Day	Chippewa Take Five	MPCB
SUPPORT AND REVENUE					
Cash contributions	\$ -	\$ -	\$ -	\$ 16,394	\$ 2,000
In-kind contributions	31,308	-	-	4,958	-
Participant and project	831	-	-	-	2,471
Grants and contracts	48,841	6,688	-	88,989	-
Total support	80,980	6,688	-	110,341	4,471
Interest income	-	94	-	-	-
Other income	-	-	-	-	-
Rental income	-	-	-	-	-
Total revenue	-	94	-	-	-
Total support and revenue	80,980	6,782	-	110,341	4,471
EXPENSES					
Program services					
Salaries	27,177	-	-	59,412	-
Payroll taxes	4,789	-	-	8,982	-
Payroll fringes	2,874	-	-	8,996	-
Subtotal	34,840	-	-	77,390	-
Consultants	-	850	-	-	1,760
Travel	5,487	-	-	1,008	(430)
Space costs	-	2,228	-	10,973	-
Communications	-	-	-	1,226	5,485
Consumable supplies	-	874	433	1,229	5
Purchase of equipment	-	-	-	-	-
Other costs	9	27,311	-	225	-
In-kind expenditures	31,308	-	-	4,958	-
Total program services	71,644	31,263	433	97,009	6,820
Supporting services					
Salaries	4,039	-	-	-	-
Payroll taxes	394	-	-	-	-
Payroll fringes	750	-	-	-	-
Subtotal	5,183	-	-	-	-
Consultants	1,248	2,680	-	373	-
Travel	120	-	-	218	-
Space costs	335	-	-	7,296	-
Communications	310	151	4	1,048	116
Consumable supplies	1,217	-	5	604	9
Purchase of equipment	-	-	-	-	-
Other costs	923	-	-	516	-
In-kind expenditures	-	-	-	-	-
Total supporting expenses	9,336	2,831	9	10,055	125
Total expenses	80,980	34,094	442	107,064	6,945
Change in net assets	-	(27,312)	(442)	3,277	(2,474)
Net assets - beginning of year	-	27,313	845	-	7,567
Net assets - end of year (deficit)	\$ -	\$ 1	\$ 403	\$ 3,277	\$ 5,093

NFC Respite	Home Injury Control	TRIAD	Mary Thompson	Totals
\$ -	\$ -	\$ 1,000	\$ 4,055	\$ 34,406
58	-	-	-	206,150
731	-	-	-	318,949
21,164	9,140	-	-	944,732
<u>21,953</u>	<u>9,140</u>	<u>1,000</u>	<u>4,055</u>	<u>1,504,237</u>
-	-	-	-	94
-	-	880	-	880
-	-	-	-	-
-	-	880	-	974
<u>21,953</u>	<u>9,140</u>	<u>1,880</u>	<u>4,055</u>	<u>1,505,211</u>
14,244	-	-	-	558,616
2,191	-	-	-	86,907
1,488	10	-	-	82,688
<u>17,923</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>728,211</u>
-	199	-	-	5,701
2,269	-	1,107	-	70,483
-	-	-	-	73,396
-	-	151	-	7,120
(7)	9,253	21	-	227,158
-	-	-	-	-
3	-	-	3,191	35,327
58	-	-	-	206,150
<u>20,246</u>	<u>9,462</u>	<u>1,279</u>	<u>3,191</u>	<u>1,353,546</u>
-	-	-	-	91,268
-	-	-	-	7,306
-	-	-	-	17,779
-	-	-	-	116,353
614	43	-	-	14,225
40	-	-	-	2,946
139	-	-	-	13,909
174	268	-	-	11,763
469	127	500	-	13,909
-	-	-	-	-
270	-	-	-	10,286
-	-	-	-	-
<u>1,706</u>	<u>438</u>	<u>500</u>	<u>-</u>	<u>183,391</u>
<u>21,952</u>	<u>9,900</u>	<u>1,779</u>	<u>3,191</u>	<u>1,536,937</u>
1	(760)	101	864	(31,726)
-	-	-	545	34,910
<u>\$ 1</u>	<u>\$ (760)</u>	<u>\$ 101</u>	<u>\$ 1,409</u>	<u>3,184</u>

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
ENERGY CRISIS PROGRAM**

YEAR ENDED SEPTEMBER 30, 2005

	General Weatherization Energy	Emergency Energy Assistance Chippewa	Weatherization Assistance 4/1/05-3/31/06
SUPPORT AND REVENUE			
Cash contributions	\$ -	\$ -	\$ -
In kind contributions	-	-	-
Participant and project	-	-	-
Grants and contracts	-	17,410	96,350
Total support	-	17,410	96,350
Interest income	-	-	-
Other income	-	-	-
Rental income	-	-	-
Total revenue	-	-	-
Reclassifications			
Restrictions released by payment	-	-	-
Total support, revenue and reclassifications	-	17,410	96,350
EXPENSES			
Program services			
Salaries	-	-	27,776
Payroll taxes	-	-	3,056
Payroll fringes	-	-	9,663
Subtotal	-	-	40,495
Consultants	-	-	11,974
Travel	-	-	965
Space costs	-	-	312
Communications	-	-	254
Consumable supplies	-	-	32,624
Purchase of equipment	-	-	-
Other costs	-	17,469	2,364
In-kind expenditures	-	-	-
Total program services	-	17,469	88,988
Supporting services			
Salaries	-	-	2,250
Payroll taxes	-	-	233
Payroll fringes	-	-	932
Subtotal	-	-	3,415
Consultants	-	-	-
Travel	-	-	798
Space costs	-	-	1,747
Communications	-	-	766
Consumable supplies	-	-	578
Purchase of equip	-	-	-
Other costs	-	-	58
In-kind expenditures	-	-	-
Total supporting expenses	-	-	7,362
Total expenses	-	17,469	96,350
Change in net assets	-	(59)	-
Net assets - beginning of year	407	59	-
Net assets - end of year (deficit)	\$ 407	\$ -	\$ -

Weatherization Assistance 4/1/04-3/31/05	MCAA Weatherization	MCAA Winter warmth Project	MCAA Winter warmth Project 2	FIA Deliverable Fuels
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
57,833	46,787	36,613	27,198	73,169
57,833	46,787	36,613	27,198	73,169
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
57,833	46,787	36,613	27,198	73,169
28,063	9,767	-	1,904	-
2,900	-	-	-	-
8,213	-	-	-	-
39,176	9,767	-	1,904	-
-	10,445	-	-	-
1,787	159	-	-	-
1,645	-	-	-	-
667	-	-	-	-
4,268	21,588	-	-	-
-	-	-	-	-
2,082	150	34,049	25,294	73,169
-	-	-	-	-
49,625	42,109	34,049	27,198	73,169
5,757	4,255	950	-	-
643	246	99	-	-
1,181	177	562	-	-
7,581	4,678	1,611	-	-
825	-	213	-	-
(484)	-	-	-	-
301	-	69	-	-
292	-	655	-	-
414	-	16	-	-
-	-	-	-	-
58	-	-	-	-
-	-	-	-	-
8,987	4,678	2,564	-	-
58,612	46,787	36,613	27,198	73,169
(779)	-	-	-	-
500	-	-	16	-
\$ (279)	\$ -	\$ -	\$ 16	\$ -

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
ENERGY CRISIS PROGRAM**

YEAR ENDED SEPTEMBER 30, 2005

	Local Walk for Warmth	MPSC MCAAA Weatherization 11/30/2005	LIHEAP	LIHEAP September 2004 through August 2005	Total Unrestricted	Temporarily Restricted- Sault Tribe
SUPPORT AND REVENUE						
Cash contributions	\$ 13,425	\$ -	\$ -	\$ -	\$ 13,425	\$ -
In kind contributions	-	-	-	-	-	-
Participant and project	-	-	-	-	-	-
Grants and contracts	-	4,033	70,126	102,625	532,144	-
Total support	13,425	4,033	70,126	102,625	545,569	-
Interest income	-	-	-	-	-	-
Other income	-	-	-	-	-	-
Rental income	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-
Reclassifications						
Restrictions released by payment	-	-	-	-	-	-
Total support, revenue and reclassifications	13,425	4,033	70,126	102,625	545,569	-
EXPENSES						
Program services						
Salaries	-	-	1,871	18,588	87,969	-
Payroll taxes	-	-	149	2,450	8,555	-
Payroll fringes	-	-	703	4,119	22,698	-
Subtotal	-	-	2,723	25,157	119,222	-
Consultants	-	-	3,802	42,141	68,362	360
Travel	-	-	-	-	2,911	-
Space costs	-	-	-	-	1,957	-
Communications	388	-	-	204	1,513	-
Consumable supplies	87	4,033	63,251	31,125	156,976	540
Purchase of equipment	-	-	-	-	-	-
Other costs	13,981	-	-	-	168,558	-
In-kind expenditures	-	-	-	-	-	-
Total program services	14,456	4,033	69,776	98,627	519,499	900
Supporting services						
Salaries	-	-	296	2,798	16,306	-
Payroll taxes	-	-	21	95	1,337	-
Payroll fringes	-	-	33	440	3,325	-
Subtotal	-	-	350	3,333	20,968	-
Consultants	-	-	-	-	1,038	-
Travel	-	-	-	-	314	-
Space costs	-	-	-	-	2,117	-
Communications	-	-	-	-	1,713	-
Consumable supplies	292	-	-	-	1,300	-
Purchase of equipment	-	-	-	1,244	1,244	-
Other costs	-	-	-	-	116	-
In-kind expenditures	-	-	-	-	-	-
Total supporting expenses	292	-	350	4,577	28,810	-
Total expenses	14,748	4,033	70,126	103,204	548,309	900
Change in net assets	(1,323)	-	-	(579)	(2,740)	(900)
Net assets - beginning of year	4,151	-	634	-	5,767	3,633
Net assets - end of year (deficit)	\$ 2,828	\$ -	\$ 634	\$ (579)	\$ 3,027	\$ 2,733

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCES AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
HOUSING AND COMMUNITY DEVELOPMENT PROGRAM**

YEAR ENDED SEPTEMBER 30, 2005

	Homebuyer	CHDO General Operating Grant	St. Ignace Feasibility/ Site Control
SUPPORT AND REVENUE			
Cash contributions	\$ -	\$ -	\$ -
In-kind contributions	-	-	-
Participant and project	-	-	-
Grants and contracts	-	-	-
Total support	-	-	-
Interest income	-	-	-
Other income	-	-	-
Rental income	-	-	-
Total revenue	-	-	-
Total support and revenue	-	-	-
EXPENSES			
Program services			
Salaries	4,680	(1,650)	-
Payroll taxes	35	-	-
Payroll fringes	63	-	-
Subtotal	4,778	(1,650)	-
Consultants	-	4,250	2,960
Travel	-	(51)	515
Space costs	-	-	7,324
Communications	-	24	-
Consumable supplies	-	-	-
Purchase of equipment	-	-	-
Other costs	-	-	1,406
In-kind expenditures	-	-	-
Total program services	4,778	2,573	12,205
Supporting services			
Salaries	-	-	-
Payroll taxes	-	-	-
Payroll fringes	-	-	-
Subtotal	-	-	-
Consultants	-	(2,522)	19
Travel	-	95	64
Space costs	-	1	-
Communications	-	68	793
Consumable supplies	1,650	151	97
Purchase of equip	-	-	-
Other costs	-	-	2,263
In-kind expenditures	-	-	-
Total supporting expenses	1,650	(2,207)	3,236
Total expenses	6,428	366	15,441
Change in net assets	(6,428)	(366)	(15,441)
Net assets - beginning of year (deficit)	6,428	366	(150,874)
Net assets - end of year (deficit)	\$ -	\$ -	\$ (166,315)

Mackinac County CDBG Programs	Predevelopment St. Ignace Housing	HOME LINKS	Chippewa County CDBG Programs	Luce County CDBG Programs
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
16,479	-	-	28,293	19,701
109,131	-	-	162,846	79,379
<u>125,610</u>	-	-	<u>191,139</u>	<u>99,080</u>
-	-	-	-	-
600	-	-	-	-
-	-	-	-	-
<u>600</u>	-	-	-	-
<u>126,210</u>	-	-	<u>191,139</u>	<u>99,080</u>
10,752	-	-	3,789	3,395
1,037	-	-	287	452
6,449	-	-	1,042	977
<u>18,238</u>	-	-	<u>5,118</u>	<u>4,824</u>
-	-	-	-	-
453	-	-	469	7
2,587	-	-	60	-
334	-	-	332	90
-	-	-	-	-
-	-	-	-	-
128,876	-	-	160,071	68,880
-	-	-	-	-
<u>150,488</u>	-	-	<u>166,050</u>	<u>73,801</u>
6,400	-	-	17,634	14,799
596	-	-	1,614	1,262
1,716	-	-	6,043	3,365
<u>8,712</u>	-	-	<u>25,291</u>	<u>19,426</u>
195	-	-	249	25
-	-	-	71	40
298	-	-	1,028	-
79	-	-	420	5
319	-	-	451	64
-	-	-	-	-
116	-	-	116	-
-	-	-	-	-
<u>9,719</u>	-	-	<u>27,626</u>	<u>19,560</u>
<u>160,207</u>	-	-	<u>193,676</u>	<u>93,361</u>
(33,997)	-	-	(2,537)	5,719
35,423	316	13	2,533	-
<u>\$ 1,426</u>	<u>\$ 316</u>	<u>\$ 13</u>	<u>\$ (4)</u>	<u>\$ 5,719</u>

**CHIPPEWA-LUCE-MACKINAC
COMMUNITY ACTION HUMAN RESOURCES AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
HOUSING AND COMMUNITY DEVELOPMENT PROGRAM**

YEAR ENDED SEPTEMBER 30, 2005

	Luce Community Center	HOME Rehab/Acquisition	Totals
SUPPORT AND REVENUE			
Cash contributions	\$ -	\$ -	\$ -
In-kind contributions	-	-	-
Participant and project	-	-	64,473
Grants and contracts	-	-	351,356
Total support	-	-	415,829
Interest income	-	-	-
Other income	-	-	600
Rental income	-	-	-
Total revenue	-	-	600
Total support and revenue	-	-	416,429
EXPENSES			
Program services			
Salaries	-	-	20,966
Payroll taxes	-	-	1,811
Payroll fringes	-	-	8,531
Subtotal	-	-	31,308
Consultants	18,061	-	25,271
Travel	20	-	1,413
Space costs	1,297	-	11,268
Communications	5	-	785
Consumable supplies	12	-	12
Purchase of equipment	-	-	-
Other costs	29,845	-	389,078
In-kind expenditures	-	-	-
Total program services	49,240	-	459,135
Supporting services			
Salaries	-	-	38,833
Payroll taxes	-	-	3,472
Payroll fringes	-	-	11,124
Subtotal	-	-	53,429
Consultants	2,017	-	(17)
Travel	-	-	270
Space costs	-	-	1,327
Communications	31	-	1,396
Consumable supplies	54	-	2,786
Purchase of equipment	-	-	-
Other costs	-	-	2,495
In-kind expenditures	-	-	-
Total supporting expenses	2,102	-	61,686
Total expenses	51,342	-	520,821
Change in net assets	(51,342)	-	(104,392)
Net assets - beginning of year (deficit)	(81,099)	114	(186,780)
Net assets - end of year (deficit)	\$ (132,441)	\$ 114	\$ (291,172)

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PLANT**

YEAR ENDED SEPTEMBER 30, 2005

	New St. Ignace Multi - Purpose Center	St. Ignace Multi-purpose Center	Sewell Avery Center
SUPPORT AND REVENUE			
Cash contributions	\$ -	\$ -	\$ -
In-kind contributions	-	-	-
Participant and project	-	-	-
Grants and contracts	-	-	83
Total support	-	-	83
Interest income	-	-	-
Other income	-	-	91,224
Rental income	84,839	-	117,623
Total revenue	84,839	-	208,847
Reclassifications			
Restrictions released by payment	-	-	-
Total support, revenue and reclassifications	84,839	-	208,930
EXPENSES			
Program services			
Salaries	2,030	-	16,740
Payroll taxes	204	-	2,017
Payroll fringes	1,179	-	4,786
Subtotal	3,413	-	23,543
Consultants	12	-	-
Travel	33	-	-
Space costs	28,399	3,371	152,431
Communications	429	-	1,186
Consumable supplies	908	-	2,846
Purchase/rent of equipment	64,155	-	5,976
Interest	-	-	-
Other costs	-	(3,512)	(20,586)
Depreciation and amortization	-	-	173,737
In-kind expenditures	-	-	-
Total program services	97,349	(141)	339,133
Supporting services			
Salaries	-	-	-
Payroll taxes	-	-	-
Payroll fringes	-	-	-
Subtotal	-	-	-
Consultants	-	129	180
Travel	-	-	-
Space costs	-	-	-
Communications	23	-	-
Consumable supplies	1,747	-	267
Purchase of equip	-	-	-
Other costs	3,044	-	5,849
In-kind expenditures	-	-	-
Total supporting expenses	4,814	129	6,296
Total expenses	102,163	(12)	345,429
Change in net assets	(17,324)	12	(136,499)
Net assets - beginning of year (deficit)	(39,933)	(16,607)	883,809
Net assets - end of year (deficit)	<u>\$ (57,257)</u>	<u>\$ (16,595)</u>	<u>\$ 747,310</u>

Avery Square Senior Housing Management	Local Property Grant	Totals
\$ -	\$ -	\$ -
-	-	-
112,147	-	112,147
-	-	83
<u>112,147</u>	<u>-</u>	<u>112,230</u>
-	-	-
-	-	91,224
-	-	202,462
-	-	<u>293,686</u>
-	-	-
<u>112,147</u>	<u>-</u>	<u>405,916</u>
23,600	-	42,370
3,206	-	5,427
5,700	-	11,665
<u>32,506</u>	<u>-</u>	<u>59,462</u>
5,400	-	5,412
226	-	259
42,442	-	226,643
388	-	2,003
2,418	-	6,172
-	-	70,131
-	1,066	1,066
-	-	(24,098)
-	-	173,737
-	-	-
<u>83,380</u>	<u>1,066</u>	<u>520,787</u>
20,429	-	20,429
1,895	-	1,895
8,792	-	8,792
<u>31,116</u>	<u>-</u>	<u>31,116</u>
258	-	567
-	-	-
2,028	-	2,028
2,110	-	2,133
1,156	-	3,170
-	-	-
-	-	8,893
-	-	-
<u>36,668</u>	<u>-</u>	<u>47,907</u>
<u>120,048</u>	<u>1,066</u>	<u>568,694</u>
(7,901)	(1,066)	(162,778)
5,730	(1,086)	831,913
<u>\$ (2,171)</u>	<u>\$ (2,152)</u>	<u>\$ 669,135</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**SCHEDULE OF SUPPORT, REVENUES, EXPENSES AND CHANGES IN NET ASSETS
AVERY SQUARE RETAIL BUILDING**

YEAR ENDED SEPTEMBER 30, 2005

	Snookies Deli	Avery Square Retail Building Management	Totals
SUPPORT AND REVENUE			
Cash contributions	\$ -	\$ 900	\$ 900
In-kind contributions	-	-	-
Participant and project	-	-	-
Grants and contracts	-	-	-
Total support	-	900	900
Interest income	-	53	53
Other income	-	154,019	154,019
Rental income	-	194,060	194,060
Total revenue	-	348,132	348,132
Reclassifications			
Restrictions released by payment	-	-	-
Total support, revenue and reclassifications	-	349,032	349,032
EXPENSES			
Program services			
Salaries	-	-	-
Payroll taxes	-	-	-
Payroll fringes	-	150	150
Subtotal	-	150	150
Consultants	-	-	-
Travel	-	64	64
Space costs	-	92,082	92,082
Communications	-	-	-
Consumable supplies	-	2,572	2,572
Purchase of equipment	-	85,822	85,822
Interest	-	-	-
Other costs	-	(37,451)	(37,451)
Depreciation and amortization	-	53,593	53,593
In-kind expenditures	-	-	-
Total program services	-	196,832	196,832
Supporting services			
Salaries	-	-	-
Payroll taxes	-	-	-
Payroll fringes	-	-	-
Subtotal	-	-	-
Consultants	-	1,014	1,014
Travel	-	-	-
Space costs	-	-	-
Communications	-	-	-
Consumable supplies	-	385	385
Purchase of equipment	-	7,802	7,802
Other costs	-	584	584
In-kind expenditures	-	-	-
Total supporting expenses	-	9,785	9,785
Total expenses	-	206,617	206,617
Change in net assets	-	142,415	142,415
Net assets - beginning of year (deficit)	(57,027)	629,087	572,060
Net assets - end of year (deficit)	\$ (57,027)	\$ 771,502	\$ 714,475

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SCHEDULE OF OPERATING REVENUES**

YEAR ENDED SEPTEMBER 30, 2005

	<u>City of Sault Ste. Marie</u>
OPERATING REVENUES	
Linehaul - (farebox)	\$ 13,551
Demand response - (farebox)	<u>20,428</u>
TOTAL OPERATING REVENUE	<u><u>\$ 33,979</u></u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SCHEDULE OF CASH FLOWS**

YEAR ENDED SEPTEMBER 30, 2005

Net cash flows from operating activities

Change in net assets	\$ 4,851
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Adjustments to reconcile change in net assets to
net cash used in operating activities:

Changes in assets and liabilities which used cash and cash equivalents:

Increase in accounts receivable	(979)
Increase in grants receivable	(13,420)
Decrease in accounts payable	(4,139)
Decrease in accrued expenses	<u>(1,472)</u>

Net cash and cash equivalents used in operations	(15,159)
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Cash and cash equivalents- beginning of year	<u>177,411</u>
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Cash and cash equivalents- end of year	<u><u>\$ 162,252</u></u>
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**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SCHEDULE OF OPERATING EXPENSES - SAULT STE. MARIE DART SYSTEM
GENERAL OPERATIONS**

YEAR ENDED SEPTEMBER 30, 2005

	<u>Operations</u>	<u>Maintenance</u>	<u>General Administration</u>	<u>Total System</u>
Labor				
Operators' salaries and wages	\$ 123,206	\$ -	\$ -	\$ 123,206
Other salaries and wages	-	24,563	32,793	57,356
Dispatchers' salaries and wages	28,652	-	-	28,652
Fringe benefits	53,548	17,230	18,221	88,999
Services				
Audit cost	-	-	867	867
Other	1,022	188	54	1,264
Materials and supplies consumed				
Fuel and lubricants	27,715	868	-	28,583
Tires and tubes	-	810	-	810
Other materials and supplies	454	12,434	2,815	15,703
Utilities	2,696	201	410	3,307
Casualty and liability costs				
Other insurance	-	-	443	443
Miscellaneous expenses				
Travel and meetings	147	-	48	195
Other miscellaneous	350	-	-	350
Leases and rentals	-	3,724	1,023	4,747
Ineligible expenses - association dues %	24	-	-	24
Total expenses	\$ 237,790	\$ 60,018	\$ 56,674	\$ 354,482

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SCHEDULE OF NONOPERATING REVENUE - SAULT STE. MARIE DART SYSTEM**

YEAR ENDED SEPTEMBER 30, 2005

Local operating grants

City of Sault Ste. Marie and International Bridge Authority	<u>\$ 129,289</u>
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State of Michigan operating grants

Formula operating assistance (Act 51)	<u>\$ 136,219</u>
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Federal operating grants

U.S. Department of Transportation Operating Grants - Section 5311 contract # MI-18-X037	<u>\$ 36,583</u>
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Federal/State capital grants

Federal section 5311 program contract # MI-18-X037	<u>\$ 2,396</u>
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**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN DEPARTMENT OF TRANSPORTATION PROGRAMS
SPECIALIZED SERVICE CONTRACTS
SCHEDULE OF NET ELIGIBLE COSTS - CITY OF SAULT STE. MARIE DART SYSTEM**

YEAR ENDED SEPTEMBER 30, 2005

	Sault Ste. Marie Dart Federal Section 5311	Sault Ste. Marie Dart State Operating Assistance
Expenses		
Labor	\$ 209,214	\$ 209,214
Fringe benefits	88,999	88,999
Services	2,131	2,131
Materials	45,096	45,096
Utilities	3,307	3,307
Insurance	443	443
Miscellaneous	545	545
Leases and rentals	4,747	4,747
Total expenses	354,482	354,482
Less ineligible expenses		
Association dues	(24)	(24)
Net eligible expenses	354,458	354,458
Operating Assistance		
Maximum Section 5311 reimbursement (12.04%)	<u>\$ 42,677</u>	(42,677)
Eligible for state operating assistance		<u>311,782</u>
Statutory cap - net eligible expenses * 38.437574823%		<u>\$ 119,841</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS**

**GRANT NO. MSC 2004-0754-HOA - LUCE COUNTY
APPLICATION OF STATE BLOCK GRANT FUNDS**

FOR THE PERIOD JUNE 1, 2004 THROUGH SEPTEMBER 30, 2005

Activity	Authorized Costs	Actual Costs, Through Period	Over (Under)
		Ended September 30, 2005	
Total general administration and project management	\$ 22,750	\$ 18,000	\$ (4,750)
Emergency grant	15,250	-	(15,250)
Single family housing rehabilitation	<u>87,000</u>	<u>81,525</u>	<u>(5,475)</u>
Subtotal	<u>125,000</u>	<u>99,525</u>	<u>(25,475)</u>
Other Funds/Sources			
CHIP, Weatherization, Sault Tribe, Homeowner	<u>30,000</u>	<u>40,283</u>	<u>10,283</u>
Total	<u>\$ 155,000</u>	<u>\$ 139,808</u>	<u>\$ (15,192)</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS**

**GRANT NO. MSC 2003-0731-HOA - CHIPPEWA COUNTY
APPLICATION OF STATE BLOCK GRANT FUNDS**

FOR THE PERIOD JANUARY 1, 2003 THROUGH DECEMBER 31, 2004

	<u>Authorized Costs</u>	<u>Actual Costs, Through Period Ended December 31, 2004</u>	<u>Over (Under)</u>
Activity			
Total general administration and project management	\$ 54,000	\$ 54,000	\$ -
Single family housing rehabilitation	221,400	225,209	3,809
Emergency grants	<u>24,600</u>	<u>20,791</u>	<u>(3,809)</u>
Subtotal	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Other Funds/Sources			
CHIP, Weatherization, Sault Tribe, Homeowner	<u>61,500</u>	<u>353,556</u>	<u>292,056</u>
Total	<u><u>\$ 361,500</u></u>	<u><u>\$ 653,556</u></u>	<u><u>\$ 292,056</u></u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS**

**GRANT NO. MSC 2005-0731-HOA - CHIPPEWA COUNTY
APPLICATION OF STATE BLOCK GRANT FUNDS**

FOR THE PERIOD JANUARY 1, 2005 THROUGH SEPTEMBER 30, 2005

Activity	Actual Costs, Through Period		
	Authorized Costs	Ended September 30, 2005	Over (Under)
Total general administration and project management	\$ 36,000	\$ 7,990	\$ (28,010)
Single family housing rehabilitation	26,000	-	(26,000)
Emergency grants	<u>138,000</u>	<u>44,396</u>	<u>(93,604)</u>
Subtotal	<u>200,000</u>	<u>52,386</u>	<u>(147,614)</u>
Other Funds/Sources			
CHIP, Weatherization, Sault Tribe, Homeowner	<u>41,000</u>	<u>90,729</u>	<u>49,729</u>
Total	<u>\$ 241,000</u>	<u>\$ 143,115</u>	<u>\$ (97,885)</u>

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS**

**GRANT NO. MSC 2003-0742-HOA - MACKINAC COUNTY
APPLICATION OF STATE BLOCK GRANT FUNDS**

FOR THE PERIOD JANUARY 1, 2003 THROUGH DECEMBER 31, 2004

Activity	Actual Costs, Through Period		
	Authorized Costs	Ended December 31, 2004	Over (Under)
Total general administration and project management	\$ 40,500	\$ 40,500	\$ -
Single family housing rehabilitation	166,050	166,050	-
Emergency grants	18,450	18,450	-
Subtotal	225,000	225,000	-
Other Funds/Sources			
CHIP, Weatherization, Homeowner, Sault Tribe	46,125	88,856	42,731
Total	\$ 271,125	\$ 313,856	\$ 42,731

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.**

**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING PROGRAMS**

**GRANT NO. MSC 2005-0742-HOA - MACKINAC COUNTY
APPLICATION OF STATE BLOCK GRANT FUNDS**

FOR THE PERIOD JANUARY 1, 2005 THROUGH SEPTEMBER 30, 2005

Activity	Actual Costs, Through Period		
	Authorized Costs	Ended September 30, 2005	Over (Under)
Total general administration and project management	\$ 27,000	\$ 11,235	\$ (15,765)
Single family housing rehabilitation	105,000	75,214	(29,786)
Emergency grants	18,000	1,300	(16,700)
Subtotal	150,000	87,749	(62,251)
Other Funds/Sources			
CHIP, Weatherization, Homeowner, Sault Tribe	46,125	46,899	774
Total	\$ 196,125	\$ 134,648	\$ (61,477)

SINGLE AUDIT SECTION



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP

An Independent Member of Baker Tilly International

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

December 16, 2005

Board of Directors
Chippewa - Luce - Mackinaw Community
Action Human Resource Authority, Inc.

We have audited the financial statements of the *Chippewa-Luce- Mackinaw Community Action Human Resource Authority Inc.* ("the Authority") as of and for the year ended September 30, 2005, and have issued our report thereon dated December 16, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted other matters including the internal control over financial reporting that we have reported to management of the Authority in a separate letter dated December 16, 2005.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Johnson



REHMANN ROBSON

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

December 16, 2005

Board of Directors
Chippewa - Luce - Mackinac Community
Action Human Resource Authority, Inc.

Compliance

We have audited the compliance of the *Chippewa-Luce-Mackinac Community Action Human Resource Authority, Inc.* (the "Authority") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2005. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

As described in item 2005-1 in the accompanying schedule of findings and questioned costs, the Authority, did not comply with special provisions requirements from the granting award agency. Compliance with such requirements is necessary, in our opinion, for the Authority, to comply with requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Rehman Lobson

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2005**

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AWARD AMOUNT</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>EXPENDITURES</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<u>Passed through Michigan Department of Education</u>				
Child and Adult Care Food Program	10.558	\$ 141,314		\$ 141,314
TEFAP	10.568	26,636	17-000-1007C	26,636
<u>Passed through Upper Peninsula Area on Aging</u>				
Meal reimbursement	93.053	74,174	UP03C1	74,174
<u>Passed through Dickinson Iron Community Services Agency</u>				
Child and Adult Care Food Program	10.558	12,854		12,854
TOTAL U.S. DEPARTMENT OF AGRICULTURE				254,978
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<u>Direct program</u>				
Head Start	93.600	2,109,139	PA 4122 05CH407338	224,942
Head Start	93.600	1,987,762	2005 G054122/05CH407339	1,802,414
Head Start	93.600	30,344	PA 4120 05CH407338	1,850
Head Start	93.600	26,344	2005 G054120/05407339	22,859
Early Head Start	93.600	882,398	PA 4125 05CH407338	194,096
Early Head Start	93.600	852,842	2005 G054125/05CH407339	796,261
Early Head Start	93.600	21,110	2005 G051126/05CH407339	21,110
<u>Passed through Upper Peninsula Area on Aging</u>				
National family caregiver support program	93.052	39,250		39,249
Title III B	93.044	67,851		67,851
Title III C	93.045	168,886		168,886
<u>Passed through Michigan Department of Human Services</u>				
Temporary Assistance for Needy Families	93.558	15,814	TANF 05-17006	15,814
Low Income Home Energy Assistance - Crisis Assistance	93.568	73,169	LCA-05-17006	73,169
Low Income Home Energy Assistance	93.568	125,800	LIHEAP-04-17006	103,205
Low Income Home Energy Assistance	93.568	88,800	LIHEAP-05-17006	70,126
Community Services Block Grant	93.569	126,610	CSBG-05-17006	126,546
Community Services Block Grant	93.569	24,975	CSBG-D-05-17001	7,613
<u>Passed through Michigan Community Action Agency Association</u>				
Planning Assistance-Water/Waste water	93.570	45,446		41,558
Planning Assistance-Solid Waste	66.606	12,644		9,831
<u>Passed through Hiawatha Behavioral Health</u>				
Block grants for mental health services	93.958	60,000		60,000
<u>Passed through EUP Employment and Training Agency</u>				
Temporary assistance for needy families	93.558	13,316		13,316
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				3,860,696
<u>U.S. DEPARTMENT OF ENERGY</u>				
<u>Passed through Michigan Department of Human Services</u>				
Weatherization assistance	81.042	197,814	DOE-04-17006	57,833
Weatherization assistance	81.042	237,092	DOE-05-17006	96,350
TOTAL U.S. DEPARTMENT OF ENERGY				154,183

**CHIPPEWA - LUCE - MACKINAC
COMMUNITY ACTION HUMAN RESOURCE AUTHORITY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2005 (Continued)**

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AWARD AMOUNT</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
<u>Passed through Michigan State Housing Development Authority</u>				
CDBG State's Housing Grant Program- Mackinac County	14.228	225,000	MSC-2003-742-HOA	\$ 24,664
CDBG State's Housing Grant Program- Mackinac County	14.228	150,000	MSC-2005-742-HOA	84,467
CDBG State's Housing Grant Program- Mackinac County program income	14.228			51,076
CDBG State's Housing Grant Program- Chippewa County	14.228	300,000	MSC-2003-0731-HOA	60,499
CDBG State's Housing Grant Program- Chippewa County	14.228	200,000	MSC-2005-0731-HOA	102,347
CDBG State's Housing Grant Program- Chippewa County program income	14.228			80,791
CDBG State's Housing Grant Program- Luce County	14.228	125,000	MSC-2004-0754-HOA	79,379
CDBG State's Housing Grant Program- Luce County program income	14.228			13,982
<u>Passed through Eastern Upper Peninsula Veteran Service Foundation</u>				
McKinney Homeless	14.235	765,497	MI28B000001	<u>139,067</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				<u>636,272</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
<u>Direct Program</u>				
Emergency Food and Shelter National Board Program	97.024	14,523	23-4666-00-002	<u>15,301</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
<u>Passed through Michigan Department of Transportation</u>				
Section 5311 Operating Assistance	20.509	38,173	MI-18-X037	36,583
Section 5311 Capital grant	20.509	11,500	MI-18-X037	<u>2,396</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>38,979</u>
TOTAL FEDERAL AWARDS				<u>\$ 4,960,409</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1) Basis of presentation-

The schedule of expenditures of federal awards includes the federal grant activity of the CLM-CAHRA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

**CHIPPEWA – LUCE – MACKINAC COMMUNITY ACTION
HUMAN RESOURCES AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2005**

SECTION 1 - SUMMARY OF AUDITORS RESULTS:

Financial Statements

Type of Auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness identified?	No
Reportable conditions identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a) ?	Yes
Identification of major programs:	
CFDA #	<i>Name of Program</i>
93.600	Head Start
Dollar threshold to distinguish Between type A and type B programs:	\$300,000
Auditee qualified as a low risk auditee?	Yes

**CHIPPEWA – LUCE – MACKINAC COMMUNITY ACTION
HUMAN RESOURCES AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2005**

SECTION II – FINANCIAL STATEMENT FINDINGS

No financial statement findings are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2005-1: Level of enrollment

Grantor: Department of Health and Human Services

CFDA #: 93.600

Award Name: Head Start

Condition: The Authority has not maintained the level of enrollment as stated in the grant award document.

Criteria: Department of Health and Human Services states the level of enrollment that the Authority must comply with in the grant award document.

Effect: This causes the Authority to be in noncompliance with a special test and provision as stipulated in the grant award document.

Recommendation: To discuss this issue with Department of Health and Human Services and either implement a plan so enrollment meets the requirements or reduce the number of enrollees in the program.

Corrective Action Plan: The Authority is currently working with the Department of Health and Human Services to resolve this issue. At this time they are working on increasing the number of enrollees.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

There were no prior audit findings.